

Testimony Regarding
S.B. 484 An Act Concerning the Governor's Revenue Plan
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Chairman Staples and members of the Committee: My written testimony today is in opposition to sections of SB 484 which would "securitize" the revenue stream of the Connecticut Clean Energy Fund in order to meet short term revenue needs of the state. This proposed action would be wrong. Wrong because it is irresponsible -- poor public policy. Wrong because it will hurt a young renewable energy industry -- one that Connecticut has invested millions of dollars to create. Wrong because it will cause a loss of jobs in Connecticut, when jobs are already precious. Wrong because it will kill opportunities that we have labored hard to create. And fundamentally wrong because the funds being taken do not belong to the State of Connecticut.

Provisions of this bill would have the state take out a loan and then pay for that loan by diverting funds -- 10 years of funds -- away from renewable energy projects and research in the state. This is short-sighted. The mechanism for funding the Connecticut Clean Energy Fund (CCEF) and the Connecticut Energy Efficiency Fund was designed to provide stability, so that an emerging renewable energy industry could thrive here. These goals are all the more important today: To ensure Connecticut reaps the benefits that today's renewable energy industry can bring to the state, and to ensure that Connecticut has a place in this emerging economic sector tomorrow. Renewable energy is our future, and is not a luxury to be abandoned when times are hard.

Why do we need renewable energy today? Very simply, Connecticut homeowners face electrical rates that are among the highest in the nation. Putting renewable energy systems in place now not only helps stabilize the electric grid, it helps reduce the cost of power to Connecticut ratepayers. Over the last several years, Connecticut programs have helped create an installed base of 17 megawatts of solar electric power in the state. While these systems generate power throughout the year, a particular benefit occurs when these systems pump power into the grid on the hottest days of the year: they help stabilize the grid and they reduce the amount of power that utilities have to purchase on the hottest days, when "spot market" prices are at their highest. This helps moderate the cost of power for everyone. This is a benefit to ratepayers, paid -- in part -- by ratepayers, through their funding of CCEF programs.

Why should we continue to invest in research and development for renewable energy? Connecticut has been losing its manufacturing base for decades, and with it has come a devastating loss of jobs. Frankly, we are in competition with other states to create economic sectors that represent well-paying jobs. Renewable energy and related technical areas, such as fuel cells, are one of these sectors. We have made an investment over the last decade to ensure that Connecticut has a piece of the action in this exciting arena. This is not the time to abandon these efforts.

The so-called "securitization" of funds may appear to be an easy way to add a few dollars to "fix" the state's problems today, but the impact would be severe to businesses such as mine. Some solar installation companies are already going out of business or leaving the state, due to reduced CCEF funding. The raiding of the CCEF funds would force my company and others like it to follow suit. At stake in this bill is the future of renewable energy as an economic sector in Connecticut. I urge you to reject the securitization provisions of SB 484.